

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the period ended** June 30, 2001

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the transition period from** \_\_\_\_\_ **to** \_\_\_\_\_

**Commission File Number** 0-27902

**ICON Cash Flow Partners, L.P., Series D**

(Exact name of registrant as specified in its charter)

<u>Delaware</u>	<u>13-3602979</u>
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)

<u>111 Church Street, White Plains, New York 10601-1505</u>	
(Address of principal executive offices)	(Zip code)

<u>(914) 993-1700</u>	
Registrant's telephone number, including area code	

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes    ☐ No

**PART I - FINANCIAL INFORMATION****Item 1. Financial Statements****ICON Cash Flow Partners, L.P., Series D  
(A Delaware Limited Partnership)****Consolidated Balance Sheets****(unaudited)**

	June 30, <u>2001</u>	December 31, <u>2000</u>
<u>Assets</u>		
Cash	\$ 6,909	\$ 152,578
Investment in finance leases		
Minimum rents receivable	108,028	345,531
Estimated unguaranteed residual values	431,448	772,389
Initial direct costs	1,790	4,157
Unearned income	(53,379)	(92,763)
Allowance for doubtful accounts	<u>(256,928)</u>	<u>(256,928)</u>
	<u>230,959</u>	<u>772,386</u>
Investment in operating lease equipment, at cost	3,384,869	3,384,869
Accumulated depreciation	<u>(1,458,989)</u>	<u>(1,267,097)</u>
	<u>1,925,880</u>	<u>2,117,772</u>
Investment in financings		
Receivables due in installments	2,421,580	2,484,219
Initial direct costs	306	308
Unearned income	(578,425)	(666,947)
Allowance for doubtful accounts	<u>(92,097)</u>	<u>(92,097)</u>
	<u>1,751,364</u>	<u>1,725,483</u>
Investment in joint venture	<u>57,679</u>	<u>518,430</u>
Other assets	<u>87,877</u>	<u>95,050</u>
Total assets	<u>\$ 4,060,668</u>	<u>\$ 5,381,699</u>

**ICON Cash Flow Partners, L.P., Series D**  
**(A Delaware Limited Partnership)**

**Consolidated Balance Sheets (Continued)**

(unaudited)

	June 30, <u>2001</u>	December 31, <u>2000</u>
<u>Liabilities and Partners' Equity</u>		
Note payable - recourse	\$ -	\$ 72,717
Notes payable - non-recourse	3,121,763	3,411,495
Security deposits, deferred credits and other payables	<u>1,082,217</u>	<u>1,210,277</u>
	<u>4,203,980</u>	<u>4,694,489</u>
Partners' equity (deficiency)		
General Partner	(346,029)	(337,724)
Limited partners (399,118 units outstanding, \$100 per unit original issue price)	<u>202,717</u>	<u>1,024,934</u>
Total partners' equity (deficit)	<u>(143,312)</u>	<u>687,210</u>
Total liabilities and partners' equity	<u>\$ 4,060,668</u>	<u>\$ 5,381,699</u>

See accompanying notes to consolidated financial statements.

**ICON Cash Flow Partners, L.P., Series D**  
**(A Delaware Limited Partnership)**

**Consolidated Statements of Operations**

(unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Revenue				
Rental income	\$ 147,000	\$ 306,708	\$ 494,000	\$ 642,708
Finance income	63,971	77,776	142,045	163,145
Gain on sales of equipment	25,709	60,636	27,484	64,312
(Loss) income from investment in joint venture	(451,999)	17,775	(460,751)	33,292
Interest and other income	<u>105</u>	<u>3,100</u>	<u>6,711</u>	<u>13,691</u>
Total revenues	<u>(215,214)</u>	<u>465,995</u>	<u>209,489</u>	<u>917,148</u>
Expenses				
Depreciation	95,946	155,393	191,892	310,786
Interest	77,675	168,801	159,180	306,184
General and administrative	40,895	87,656	91,925	153,259
Amortization of initial direct costs	1,058	3,082	2,367	7,065
Management fees - General Partner	-	22,090	-	47,532
Administrative expense reimbursement- General Partner	<u>-</u>	<u>5,466</u>	<u>-</u>	<u>12,292</u>
Total expenses	<u>215,574</u>	<u>442,488</u>	<u>445,364</u>	<u>837,118</u>
Net (loss) income	<u>\$ (430,788)</u>	<u>\$ 23,507</u>	<u>\$ (235,875)</u>	<u>\$ 80,030</u>
Net (loss) income allocable to:				
Limited partners	\$ (426,480)	\$ 23,272	\$ (233,516)	\$ 79,230
General Partner	<u>(4,308)</u>	<u>235</u>	<u>(2,359)</u>	<u>800</u>
	<u>\$ (430,788)</u>	<u>\$ 23,507</u>	<u>\$ (235,875)</u>	<u>\$ 80,030</u>
Weighted average number of limited partnership units outstanding	<u>399,118</u>	<u>399,118</u>	<u>399,118</u>	<u>399,118</u>
Net (loss) income per weighted average limited partnership unit	<u>\$ (1.07)</u>	<u>\$ 0.06</u>	<u>\$ (.59)</u>	<u>\$ 0.20</u>

See accompanying notes to consolidated financial statements.

**ICON Cash Flow Partners, L.P., Series D**  
**(A Delaware Limited Partnership)**

**Consolidated Statements of Changes in Partners' Equity**

**For the Six Months Ended June 30, 2001 and  
the Year Ended December 31, 2000**

**(unaudited)**

Limited Partner Distributions

	Return of <u>Capital</u>	Investment <u>Income</u>	Limited <u>Partners</u>	General <u>Partner</u>	<u>Total</u>
	(Per weighted average unit)				
Balance at December 31, 1999			\$ 4,303,607	\$ (304,607)	\$ 3,999,000
Cash distributions to partners	\$ 8.21	\$ 2.04	(4,091,082)	(41,323)	(4,132,405)
Net income			<u>812,409</u>	<u>8,206</u>	<u>820,615</u>
Balance at December 31, 2000			1,024,934	(337,724)	687,210
Cash distributions to partners	\$ 2.07	\$ (.59)	(588,701)	(5,946)	(594,647)
Net loss			<u>(233,516)</u>	<u>(2,359)</u>	<u>(235,875)</u>
Balance at June 30, 2001			<u>\$ 202,717</u>	<u>\$ (346,029)</u>	<u>\$ (143,312)</u>

See accompanying notes to consolidated financial statements.

**ICON Cash Flow Partners, L.P., Series D**  
**(A Delaware Limited Partnership)**

**Consolidated Statements of Cash Flows**

**For the Six Months Ended June 30,**

**(unaudited)**

	<u>2001</u>	<u>2000</u>
Cash flows from operating activities:		
Net (loss) income	\$ (235,875)	\$ 80,030
Adjustments to reconcile net income to net cash provided by operating activities:		
Interest expense on non-recourse financing paid directly to lenders by lessees	157,549	294,504
Depreciation	191,892	310,786
Finance income portion of receivables paid directly to lenders by lessees	(25,340)	(55,518)
Rental income paid directly to lenders by lessees	(294,000)	(348,708)
Loss (income) from investment in joint venture	460,751	(33,292)
Amortization of initial direct costs	2,367	7,065
Gain on sales of equipment	(27,484)	(64,312)
Changes in operating assets and liabilities:		
Collection of principal - non-financed receivables	72,732	55,440
Security deposits, deferred credits and other payables	(128,060)	31,233
Distributions from investments in unconsolidated joint ventures	-	80,295
Other assets	7,173	(144,510)
Other	(22,071)	568,205
Total adjustments	<u>395,509</u>	<u>701,188</u>
Net cash provided by operating activities	<u>159,634</u>	<u>781,218</u>
Cash flows from investing activities:		
Proceeds from sales of equipment	<u>362,061</u>	<u>164,447</u>
Net cash provided by investing activities	<u>362,061</u>	<u>164,447</u>

**ICON Cash Flow Partners, L.P., Series D**  
**(A Delaware Limited Partnership)**

**Consolidated Statements of Cash Flows (Continued)**

**For the Six Months Ended June 30,**

**(unaudited)**

	<u>2001</u>	<u>2000</u>
Cash flows from financing activities:		
Cash distributions to partners	(594,647)	(2,318,188)
Proceeds from non-recourse debt	-	2,967,966
Principal payments on note payable - recourse	(72,717)	(103,423)
Principal payments on non-recourse debt	<u>-</u>	<u>(1,713,536)</u>
Net cash used in financing activities	<u>(667,364)</u>	<u>(1,167,181)</u>
Net decrease in cash	(145,669)	(221,516)
Cash at beginning of period	<u>152,578</u>	<u>287,481</u>
Cash at end of period	<u>\$ 6,909</u>	<u>\$ 65,965</u>

See accompanying notes to consolidated financial statements.

**ICON Cash Flow Partners, L.P., Series D**  
**(A Delaware Limited Partnership)**

**Consolidated Statements of Cash Flows (Continued)**

**Supplemental Disclosures of Cash Flow Information**

During the six months ended June 30, 2001 and 2000, non-cash activities included the following:

	<u>2001</u>	<u>2000</u>
Principal and interest on direct finance		
receivables paid directly to lenders by lessees	\$ 153,281	\$ 1,601,187
Rental income assigned operating lease receivable	294,000	348,708
Principal and interest on non-recourse financing		
paid directly by lessees	<u>(447,281)</u>	<u>(1,949,895)</u>
	<u>\$ -</u>	<u>\$ -</u>

Interest expense of \$159,180 and \$306,184 for the six months ended June 30, 2001 and 2000 consisted of: interest expense on non-recourse financing paid or accrued directly to lenders by lessees of \$157,549 and \$294,504, respectively, and interest expense on note payable - recourse of \$1,631 and \$11,680, respectively.



**ICON Cash Flow Partners, L.P., Series D**  
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**Notes to Consolidated Financial Statements**

**June 30, 2001**

**(unaudited)**

**1. Basis of Presentation**

The consolidated financial statements of ICON Cash Flow Partners, L.P., Series D (the "Partnership") have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") and, in the opinion of management, include all adjustments (consisting only of normal recurring accruals) necessary for a fair statement of income for each period shown. Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such SEC rules and regulations. Management believes that the disclosures made are adequate to make the information presented not misleading. The results for the interim period are not necessarily indicative of the results for the full year. These consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Partnership's 2000 Annual Report on Form 10-K.

**2. Disposition Period**

The Partnership's reinvestment period ended June 5, 1997. The disposition period began on June 6, 1997. During the disposition period the Partnership has, and will continue to distribute substantially all distributable cash from operations and equipment sales to the partners and continue the orderly termination of its operations and affairs. The Partnership has not, and will not invest in any additional finance or lease transactions during the disposition period. During the disposition period, the Partnership expects to recover, at a minimum, the carrying value of its assets.

**3. Related Party Transactions**

Fees paid or accrued by the Partnership to the General Partner or its affiliates for the six months ended June 30, 2001 and 2000 are as follows:

	<u>2001</u>	<u>2000</u>	
Management fees	\$ -	\$ 47,532	Charged to operations
Administrative expense reimbursements	<u>-</u>	<u>12,292</u>	Charged to operations
Total	<u>\$ -</u>	<u>\$ 59,824</u>	

The General Partner waived all future management fees and administrative expense reimbursements payable by the Partnership commencing July 1, 2000.

**ICON Cash Flow Partners, L.P., Series D**  
**(A Delaware Limited Partnership)**

**Notes to Consolidated Financial Statements - Continued**

The Partnership has an investment in a joint venture with other partnerships sponsored by the General Partner. (See Note 4 for additional information relating to the joint venture.)

**4. Investment in Joint Venture**

In March 1997 the Partnership, ICON Cash Flow Partners L.P. Six ("L.P. Six"), and ICON Cash Flow Partners L.P. Seven ("L.P. Seven"), contributed and assigned equipment lease and finance receivables and residuals to ICON Receivables 1997-A L.L.C. ("1997-A"), a special purpose entity created for the purpose of originating leases, managing existing contributed assets and securitizing its portfolio. In September 1997 ICON Cash Flow Partners, L.P., Series E ("Series E"), L.P. Six and L.P. Seven contributed and assigned additional equipment lease and finance receivables and residuals to 1997-A. The Partnership, Series E, L.P. Six and L.P. Seven received a 17.80%, 31.19%, 31.03% and 19.97% interest, respectively, in 1997-A based on the present value of their related contributions. In September 1997, 1997-A securitized substantially all of its equipment leases and finance receivables and residuals and 1997-A became the beneficial owner of a trust. The Partnership's original investment was recorded at cost and is adjusted by its share of earnings, losses and distributions thereafter.

Information as to the unaudited financial position and results of operations of 1997-A at June 30, 2001 and 2000 are summarized below:

	<u>June 30, 2001</u>	<u>June 30, 2000</u>
Assets	<u>\$ 5,196,836</u>	<u>\$13,201,639</u>
Liabilities	<u>\$ 4,872,966</u>	<u>\$10,160,355</u>
Equity	<u>\$ 323,870</u>	<u>\$ 3,041,284</u>
Partnership's share of equity	<u>\$ 57,679</u>	<u>\$ 669,588</u>
	<u>Six Months Ended</u> <u>June 30, 2001</u>	<u>Six Months Ended</u> <u>June 30, 2000</u>
Net loss	<u>\$(1,868,675)</u>	<u>\$ 186,847</u>
Partnership's share of net loss	<u>\$ (460,751)</u>	<u>\$ 33,292</u>

1997-A recorded a provision for bad debt of \$1,825,000 during the six month period ended June 30, 2001.

**ICON Cash Flow Partners, L.P., Series D**  
**(A Delaware Limited Partnership)**

**June 30, 2001**

**Item 2. General Partner's Discussion and Analysis of Financial Condition and Results of Operations**

The Partnership's portfolio consisted of a net investment in finance leases, operating lease, financings and investment in unconsolidated joint venture, representing 11%, 45%, 43% and 1% of total investments at June 30, 2001, respectively, and 16%, 60%, 17% and 7% of total investments at June 30, 2000, respectively.

**Results of Operations for the Three Months Ended June 30, 2001 and 2000**

Revenues for the three months ended June 30, 2001 were (\$215,214), representing a decrease of \$681,209 from 2000. The decrease in revenues resulted primarily from a loss from investment in joint venture of \$451,999 versus income of \$17,775 for the comparable period last year and decreases in rental income of \$159,708, gain on sales of equipment of \$34,927, and finance income of \$13,805. The decrease in income from investment in joint venture was due primarily to a \$1,700,000 provision for bad debts recorded by the venture in the 2001 period. The decrease in rental income resulted from the third quarter 2000 sale of a DHC-8 aircraft. The decrease in gain on sales of equipment was due to a decrease in the number of leases maturing for which the proceeds received were in excess of the remaining carrying value of the equipment. Finance income decreased due to a decrease in the average size of the lease investment portfolio from 2000 to 2001.

Expenses for the three months ended June 30, 2001 were \$215,574 representing a decrease of \$226,914. The decrease in expenses resulted from decreases in depreciation expense of \$59,447, interest expense of \$91,126, management fees of \$22,090, general and administrative expenses of \$46,761, administrative fees of \$5,466 and amortization of initial direct costs of \$2,024. The decrease in depreciation expense resulted from the sale of a DHC-8 aircraft during the third quarter of 2000. Interest expense decreased due to a decrease in the average debt outstanding from 2000 to 2001. The decrease in management fees and administrative fees was due to the General Partner waiving management fee and administrative expense reimbursements commencing July 1, 2000. The decrease in amortization of initial direct costs resulted from a decrease in the average size of the finance lease portfolio from 2000 to 2001. The decrease in general and administrative expenses was due to a decrease in professional fees.

Net (loss) income for the three months ended June 30, 2001 and 2000 was (\$430,788) and \$23,507, respectively. The net (loss) income per weighted average limited partnership unit was (\$1.07) and \$.06 for 2001 and 2000, respectively.

**Results of Operations for the Six Months Ended June 30, 2001 and 2000**

Revenues for the six months ended June 30, 2001 were \$209,489, representing a decrease of \$707,659 from 2000. The decrease in revenues resulted primarily from a loss in investment in joint venture of \$460,751 versus income of \$33,292 for the comparable period last year and decreases in rental income of \$148,708, gain on sales of equipment of \$36,828 and finance income of \$21,100. The decrease in income from investment in joint venture was due primarily to a \$1,825,000 provision for bad debts recorded by the venture in 2001. Rental income decreased primarily as a result of the third quarter 2000

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sale of a DHC-8 aircraft. The decrease in rental income was partially offset by a one time settlement payment of \$200,000 received in the first quarter of 2001 for a rental claim related to the aircraft sold in the third quarter of 2000. Excluding the impact of the \$200,000 settlement payment, rental income would have decreased by \$348,708 from 2000 to 2001 as a result of the third quarter 2000 sale of the aircraft. The decrease in gain on sales of equipment was due to a decrease in the number of leases maturing for which the proceeds received were in excess of the remaining carrying value of the equipment. Finance income decreased due to a decrease in the average size of the lease investment portfolio from 2000 to 2001.

Expenses for the six months ended June 30, 2001 were \$445,364 representing a decrease of \$391,754. The decrease in expenses resulted from decreases in interest expense of \$147,004, depreciation expense of \$118,894, general and administrative expenses of \$61,334, management fees of \$47,532, administrative fees of \$12,292 and amortization of initial direct costs of \$4,698. The decrease in depreciation expense resulted from the sale of a DHC-8 aircraft during the third quarter of 2000. Interest expense decreased due to a decrease in the average debt outstanding from 2000 to 2001. The decrease in management fees and administrative fees was due to the General Partner waiving management fee and administrative expense reimbursements commencing July 1, 2000. The decrease in amortization of initial direct costs and general and administrative expense resulted from a decrease in the average size of the lease portfolio from 2000 to 2001.

Net (loss) income for the six months ended June 30, 2001 and 2000 was (\$235,875) and \$80,030, respectively. The net (loss) income per weighted average limited partnership unit was (\$.59) and \$.20 for 2001 and 2000, respectively.

**Liquidity and Capital Resources**

The Partnership's primary sources for funds for the six months ended June 30, 2001 and 2000 were proceeds from borrowings of \$2,967,966 in 2000, cash provided by operations of \$159,634 and \$781,218, respectively, and net cash provided by sales of equipment of \$362,061 and \$164,447, respectively. These funds were used to fund cash distributions and to make payments on borrowings. Cash distributions to the limited partners for the six months ended June 30, 2001 and 2000 totaled \$588,701 and \$2,295,007, respectively.

The Partnership's reinvestment period ended June 5, 1997. The disposition period began on June 6, 1997. During the disposition period the Partnership has, and will continue to distribute substantially all distributable cash from operations and equipment sales to the partners and continue the orderly termination of its operations and affairs. The Partnership has not, and will not invest in any additional finance or lease transactions during the disposition period. During the disposition period the Partnership expects to recover, at a minimum, the carrying value of its assets.

As a result of the Partnership's entering into the disposition period, future monthly distributions could, and are expected to fluctuate depending on the amount of asset sale and re-lease proceeds received during that period.

As of June 30, 2001, except as noted above, there were no known trends or demands, commitments, events or uncertainties which are likely to have any material effect on liquidity. As cash is realized from operations and sales of equipment, the Partnership will distribute substantially all available cash, after retaining sufficient cash to meet its reserve requirements and recurring obligations.

**ICON Cash Flow Partners, L.P., Series D**  
**(A Delaware Limited Partnership)**

**Item 3. Qualitative and Quantitative Disclosures About Market Risk**

The Partnership is exposed to certain market risks, including changes in interest rates. The Partnership believes its exposure to other market risks are insignificant to both its financial position and results of operations.

The Partnership manages its interest rate risk by obtaining fixed rate debt. The fixed rate debt service obligation streams are generally matched by fixed rate lease receivable streams generated by the Partnership's lease investments.

**ICON Cash Flow Partners, L.P., Series D**  
**(A Delaware Limited Partnership)**

**PART II - OTHER INFORMATION**

**Item 6 - Exhibits and Reports on Form 8-K**

No reports on Form 8-K were filed during the quarter ended June 30, 2001.

**ICON Cash Flow Partners, L.P., Series D**  
**(A Delaware Limited Partnership)**

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ICON CASH FLOW PARTNERS, L.P., SERIES D  
File No. 33-40044 (Registrant)  
By its General Partner,  
ICON Capital Corp.

August 10, 2001

Date

/s/ Thomas W. Martin

Thomas W. Martin

Executive Vice President

(Principal financial and accounting officer of  
the General Partner of the Registrant)